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FISCAL IMPACT STATEMENT

LS 6218

BILL NUMBER: SB 31

NOTE PREPARED: Nov 21, 2006

BILL AMENDED:

SUBJECT: Regulation of Riverboats.

FIRST AUTHOR: Sen. Waltz

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill prohibits the installation of an automated teller machine (ATM) on a riverboat. It requires certain riverboat patrons who wish to obtain or access a line of credit to submit to a breath test. It restricts a riverboat patron's access to credit if the riverboat patron's breath test shows an alcohol concentration equivalent to more than 0.08 gram of alcohol per 210 liters of the riverboat patron's breath. It also requires the installation of digital clocks on the interior floors of a riverboat.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The bill prohibits installation of ATMs on riverboat casinos, and imposes requirements on riverboat owners relating to extending lines of credit to casino patrons and installation of digital clocks inside riverboat casinos. These provisions will result in additional administrative responsibilities for the Indiana Gaming Commission (IGC). The fiscal impact that might arise from these new responsibilities is indeterminable. However, any additional expenses would be paid from Riverboat Wagering Tax revenue annually appropriated to IGC for administrative purposes. (Note: Current statute provides that sufficient funds are annually appropriated to the IGC from Riverboat Wagering Tax revenue deposited in the State Gaming Fund to administer the riverboat gambling laws.) In FY 2006, this distribution totaled about \$2.4 M.

The provisions of the bill are as follows:

(1) The bill prohibits a riverboat casino owner or operating agent from installing an ATM on board a riverboat casino.

(2) The bill requires a riverboat owner or operating agent to provide an alcohol breath testing device approved by the IGC and operated by a person certified in the use of the device. The bill prohibits a riverboat casino owner or operating agent from extending (1) a line of credit exceeding \$1,000 to a casino patron or (2) a line of credit that causes the aggregate amount of credit obtained by the casino patron over the preceding 24 hours to exceed \$1,000, if the patron registers an alcohol concentration exceeding 0.08 grams of alcohol per 210 liters of the patron's breath. The bill also requires a patron seeking the line of credit to submit to the breath test.

(3) The bill requires a riverboat owner or operating agent to install on each interior floor of a riverboat casino, a digital clock approved by the IGC and placed in a prominent location. The clock must be at least equal in size to a digital clock attached to the exterior of the riverboat casino prior to July 1, 2007. If the riverboat casino did not have an exterior clock before July 1, 2007, the IGC is authorized to approve clocks that are at least equal in size to any digital clock attached to the exterior of a riverboat casino before July 1, 2007.

Explanation of State Revenues: The provision prohibiting installation of ATMs on riverboat casinos could potentially reduce wagering by some casino patrons by stemming ready access to cash in the casino. Any reduction in wagering by casino patrons would affect revenue from the Riverboat Wagering Tax. The extent of this potential impact is unknown at this time, but will be updated if relevant information or research on this subject is obtained. In the event the ATM prohibition reduces Wagering Tax revenue, it would ultimately affect revenue flowing to the Property Tax Replacement Fund (PTRF).

The Riverboat Wagering Tax is imposed on the adjusted gross wagering receipts (total wagers minus winnings paid out) derived by the casino owner. Approximately \$95.0 M in revenue is annually distributed to certain cities and counties where the riverboat casinos are located. The remainder of the revenue is distributed to the IGC for administrative cost (\$2.4 M in FY 2006); the PTRF (\$497.6 M in FY 2006); the Build Indiana Fund (\$92.3 M in FY 2006); and local revenue sharing (\$33.0 M annually).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Gaming Commission; Property Tax Replacement Fund.

Local Agencies Affected:

Information Sources:

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